

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  VIRGINIA POWER ENERGY MARKETING, INC.	DOCKET NO. CGP-01-13
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**ORDER APPROVING APPLICATION AND ISSUING CERTIFICATE  
TO PROVIDE LARGE VOLUME SERVICE**

(Issued January 15, 2002)

On June 4, 2001, Virginia Power Energy Marketing, Inc. (Virginia Power), filed a request with the Utilities Board (Board) for an extension of the filing date for a competitive natural gas provider (CGNP) to file for a certificate pursuant to 199 IAC 19.14(2). The request was identified as Docket No. WRU-01-33-3573. The subrule requires that competitive natural gas providers that were transporting gas to customers in Iowa prior to April 25, 2001, the effective date of 199 IAC 19.14, file for a certificate by June 1, 2001. By order issued June 7, 2001, the Board granted Virginia Power until July 1, 2001, to file the application. Virginia Power subsequently indicated to the Board that it would not be able to meet the July 1, 2001, because of the difficulty in obtaining information from its various affiliates.

On October 11, 2001, Virginia Power filed the application for a certificate as a CNGP with the Board. The application has been identified as Docket No. CGP-01-13. The Board's rules at 199 IAC 2.2(18) and 19.14 establish the filing requirements for the issuance of a certificate. Subrule 19.14(4) states an applicant

will be notified when its application is complete and the 90-day review period begins. On October 17, 2001, the Board notified Virginia Power that the application was complete and the 90-day review period had begun.

Based upon a review of the completed application, the Board finds that Virginia Power is a wholly-owned subsidiary of Virginia Electric and Power Company, which is a wholly-owned subsidiary of Dominion Resources, Inc. Virginia Power was granted a certificate from the Iowa Secretary of State to do business in Iowa on August 8, 2001. Subrule 199 IAC 19.14(2) allows CNGPs providing service in Iowa prior to April 25, 2001, to continue providing service during the certification process. Virginia Power was providing service in Iowa to large volume customers prior to April 25, 2001, and, therefore, is authorized to provide service until the completion of its certification process. Virginia Power is requesting a certificate to provide service to large volume customers, as defined by 199 IAC 19.14(1), only.

Virginia Power had two affiliates licensed to provide competitive natural gas service in several other states, including Pennsylvania, Ohio, New Jersey, Virginia, and Maryland. Virginia Power has ten other affiliates which may from time to time make sales of natural gas to end users in other states but are not required to be licensed.

Iowa Code § 476.87 requires that a competitive natural gas provider or aggregator must reasonably demonstrate managerial, technical, and financial capability sufficient to obtain and deliver the services it proposes to offer. The Board in 199 IAC 2.2(18) and 19.14 established the filing requirements for a CNGP to obtain a certificate. These requirements contain the information determined by the

Board to be necessary to review the managerial, technical, and financial abilities of the applicant.

Virginia Power's application contains the professional background information for its principal managerial and technical personnel. It appears that Virginia Power staff possesses extensive knowledge of and experience in various areas of the natural gas industry including marketing of natural gas service. Virginia Power indicated that it intends to only serve large volume customers in Iowa and did not file the financial and operational information required for a certificate to serve small volume customers. Additionally, Virginia Power expressed its commitment to comply with all applicable conditions of certification contained in 199 IAC 19.14(5) and (6). Virginia Power also acknowledged that failure to comply with all applicable conditions may result in the revocation of its certificate.

Based on a review of Virginia Power's application, the Board finds that Virginia Power satisfies the requirements of section 476.87. The Board finds that Virginia Power's application complies with the filing requirements of Board rules and that Virginia Power will be issued a CNGP certificate to provide service to large volume customers as defined in 199 IAC 19.14(1). The Board finds that no additional conditions should be placed on the certificate. To provide service to small volume customers, Virginia Power will need to file an application to amend its certificate and the information required by 199 IAC 2.2(18) and 19.14(6).

Concurrently with the issuance of this order, the Board will issue a certificate to provide service to large volume customers, identified as Certificate No. G-0011, to

Virginia Power. Virginia Power will be subject to the reporting requirements contained in 199 IAC 19.14(5)"c," once the certificate is issued.

**IT IS THEREFORE ORDERED:**

1 The application for a certificate as a competitive natural gas service provider in Iowa filed by Virginia Power Energy Marketing, Inc., on October 11, 2001, is approved subject to the condition that service is limited to large volume customers as defined by 199 IAC 19.14(1).

2. Virginia Power Energy Marketing, Inc., shall comply with the filing requirements of 199 IAC 19.14(5).

3. Certificate No. G-0011 shall be issued to Virginia Power Energy Marketing, Inc.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

Dated at Des Moines, Iowa, this 15<sup>th</sup> day of January, 2002.